

The relief described hereinbelow is SO ORDERED.

Signed March 10, 2006.

Ronald B. King

United States Bankruptcy Judge

UNITED STATES BANKRUPTCY COURT WESTERN DISTRICT OF TEXAS SAN ANTONIO DIVISION

ORDER AUTHORIZING SALE OF OIL AND GAS INTERESTS IN UNION COUNTY, ARKANSAS FREE AND CLEAR OF LIENS

On March 7, 2006, came on to be heard the Chapter 7 Trustee's Motion for Authority to Sell Oil and Gas Interests in Union County, Arkansas to Choctaw Energy, Ltd. Free and Clear of Liens. Appearing were John Patrick Lowe, the Chapter 7 Trustee, and Joe Pritchett, on behalf of Southern States Royalty, Inc. Southern States Royalty, Inc. bid \$6,000.00 for the oil and gas interests, a bid higher than the bid of Choctaw Energy, Ltd. The Court is of the opinion that the Trustee should be authorized and directed to sell all of the bankruptcy estate's oil and gas interests in Union County, Arkansas to Southern States Royalty, Inc. for \$6,000.00 with an effective

date of February 28, 2006, and that if such party fails to tender the purchase price to the Trustee within 30 days of the date of the hearing, then the Trustee should be authorized to sell all of the bankruptcy estate's oil and gas interests in Union County, Arkansas to Choctaw Energy, Ltd. for the amount of \$5,300.00 with an effective date of February 28, 2006. Any sale shall be free and clear of any and all liens, claims, security interests and encumbrances with all of such matters, if any, to attach to the sales proceeds, but without any other warranties.

IT IS THEREFORE ORDERED that Trustee's Motion for Authority to Sell Oil and Gas Interests in Union County, Arkansas to Choctaw Energy, Ltd. Free and Clear of Liens is granted to the extent described in this Order.

IT IS FURTHER ORDERED that John Patrick Lowe, Trustee, be and is hereby authorized and directed to sell the bankruptcy estate's oil and gas interests in Union County, Arkansas, legally described as: (1) A .0083330 royalty interest in ARKLATX Operating Co., Inc.—Goodwin A, covering that part of Lot 1 in the NW-1/4, South of Smackover Creek, Section 3, Township 16 South, Range 15 West, applies to production from a depth of not more than 2800 feet from the surface of the earth, Smackover Field; (2) A .00297619 royalty interest in ARKLATX Operating Co., Inc.—Lisbon NW Middle BL UT-TR 8, covering SE-1/4 of NE-1/4 of Section 25. Township 16 South, Range 17 West, as to production between the sub-sea depths of 2415 and 2450 feet, Northwest Lisbon Field; (3) A .00148810 royalty interest in ARKLATX Operating Co., Inc.—Lisbon NW Middle BL UT-TR 3, covering NW 1/4 of NW-1/4 of Section 25, Township 16 South, Range 17 West, applies to production between the sub-sea depths of 2415 and 2450 feet, Northwest Lisbon Field; (4) A .00148809 royalty interest in ARKLATX Operating Co., Inc.-Lisbon NW Middle BL UT-TR2, covering NE-1/4 of NW-1/4 of Section 25, Township 16 South, Range 17 West, as to production between the sub-sea depths of 2415 and 2450 feet, Northwest Lisbon Field; and (5) A .00148809 royalty interest in ARKLATX Operating Co., Inc.—Lisbon NW Middle Blossom Unit, covering NW-1/4 of NW-1/4 of NE-1/4 and S-1/2 of NW-1/4 of NE-1/4 of Section 25, Township 16 South, Range 17 West, as to production between the sub-sea depths of 2415 feet and 2450 feet. Northwest Lisbon Field to Southern States Royalty, Inc., P.O. Box 10578, Corpus Christi, Texas 78213, for the amount of \$6,000.00, with an effective date of February 28, 2006.

IT IS FURTHER ORDERED that if Southern States Royalty, Inc. does not tender the purchase price to the Trustee within 30 days of the date of the hearing, then the Trustee is authorized and directed to sell the bankruptcy estate's oil and gas interests in Union County, Arkansas, legally described above, to Choctaw Energy, Ltd., P.O. Box 6387, San Antonio, Texas 78209, for \$5,300.00 cash, with an effective date of February 28, 2006.

IT IS FURTHER ORDERED that any sale will be free and clear of any and all liens, claims, security interests and encumbrances, with all of such matters, if any, to attach to the sales proceeds, but without any other warranties.

IT IS FURTHER ORDERED that the Trustee is authorized to execute, acknowledge and deliver any instrument or document necessary to complete or memorialize such sale.

IT IS FURTHER ORDERED that the stay provided by Federal Rule of Bankruptcy Procedure 6004(g) is vacated and terminated and the Trustee is directed to complete the sale at any time after the entry of this Order on the docket.

The sale is hereby confirmed by the Court.

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ORDER PREPARED BY:

John Patrick Lowe, Trustee 318 East Nopal Uvalde, Texas 78801 (830) 278-4471 (830) 278-6347 (fax)

SEND COPY OF ORDER TO:

John Patrick Lowe, Trustee 318 East Nopal Uvalde, Texas 78801